

MONTANA LEGISLATIVE HISTORY

Chapter 630 19 79

Bill H _____ S 521

Original bill & history X c

H. Committee on TAXATION

Hearing Date(s) 2/23 X c

EXEC. ACTION 3/8 X c

_____ c

_____ c

Date Out _____ c

S. Committee on TAXATION

Hearing Date(s) 3/30 X c

_____ c

_____ c

_____ c

Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____

Report _____

46th

LEGISLATIVE SESSION

COMMITTEE ON TAXATION

SENATE BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS <u>DATE</u>	DO NOT PASS <u>DATE</u>	DO PASS AS AMEND. <u>DATE</u>	BE CON- CURRED IN <u>DATE</u>	BE CONC. IN AS AMENDED <u>DATE</u>	BE NOT CON- CURRED IN <u>DATE</u>
481	2/12	2/17	2/17			2/17			
492	2/19	3/13	3/13			3/13			
502	2/20	Trans. from Local Gov., TABLED 3/10							
507	2/14	2/20	TABLED	2/20					
508	2/14	2/22	3/9			3/9			
510	2/14	2/20	TABLED	3/14					
521	2/14	2/23	3/8			3/8			
522	3/17	3/19	3/20			3/20			
523	3/23	3/24	3/24			3/24			
SJR 4	1/18	1/24	2/16	2/16					
SJR 5	1/18	1/24	2/16			2/16			
SJR 10	3/2	3/7	3/7	3/7					
SJR 30	2/27	3/7	3/7	3/7					
SJR 39	4/9	4/10	4/10		4/10 Majority-Minority Report				

CHAPTER NO. 630

SENATE BILL NO. 521

INTRODUCED BY MANLEY, WATT, McCALLUM, TURNAGE

BY REQUEST OF THE COMMITTEE ON TAXATION

IN THE SENATE

February 16, 1979	Introduced and referred to Committee on Taxation.
February 23, 1979	Fiscal note requested.
February 28, 1979	Fiscal note returned.
March 8, 1979	Committee recommend bill do pass as amended. Report adopted.
March 9, 1979	Printed and placed on members' desks.
March 10, 1979	Second reading, do pass.
March 12, 1979	Considered correctly engrossed.
March 13, 1979	Third reading, passed. Transmitted to second house.

IN THE HOUSE

March 14, 1979	Introduced and referred to Committee on Taxation.
April 11, 1979	Committee recommend bill be concurred in. Report adopted.
April 12, 1979	Second reading, concurred in.
April 16, 1979	Third reading, concurred in.

IN THE SENATE

April 16, 1979	Returned from second house. Concurred in. Sent to enrolling. Reported correctly enrolled.
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1 *House* BILL NO. *521*
 2 INTRODUCED BY *Manly Watt McCallum*
 3 BY REQUEST OF THE COMMITTEE ON TAXATION
Turner

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXTEND THE PERIOD
 5 DURING WHICH COUNTY TAX APPEAL BOARDS MAY MEET; PROVIDING
 6 THAT TAXPAYERS' APPLICATIONS ARE GRANTED IF A COUNTY TAX
 7 APPEAL BOARD REFUSES OR FAILS TO HEAR THE APPLICATION;
 8 AMENDING SECTIONS 15-15-101 THROUGH 15-15-103, MCA."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 15-15-101, MCA, is amended to read:

12 "15-15-101. County tax appeal board -- meetings and
 13 compensation. (1) The board of county commissioners of each
 14 county shall appoint a three-member county tax appeal board,
 15 with the members to serve staggered terms of 3 years each.
 16 The members of each county tax appeal board shall be
 17 residents of the county in which they serve. They shall
 18 receive compensation of \$25 a day and travel expenses as
 19 provided for in 2-18-501 through 2-18-503, as amended, only
 20 when the county tax appeal board is in session to hear
 21 taxpayers' appeals from property tax assessments or when
 22 they are attending meetings called by the state tax appeal
 23 board. Travel expenses and compensation shall be paid from
 24 the appropriation to the state tax appeal board. Office
 25 space and equipment for the county tax appeal boards shall

1 be furnished by the county. All other incidental expenses
 2 shall be paid from the appropriation of the state tax appeal
 3 board.

4 (2) The county tax appeal board must meet on the third
 5 Monday of April in each year to hear protests concerning
 6 assessments made by the department of revenue. It must
 7 continue in session for that purpose from time to time until
 8 the business of hearing protests is disposed of, but not
 9 later than ~~the last Monday in June unless granted additional~~
 10 ~~time--by--order--of--the--state--tax--appeal--board 60 days after~~
 11 ~~the department of revenue or its agent has mailed notice of~~
 12 ~~classification and appraisal to all property owners as~~
 13 ~~required in 15-7-102.~~ In connection with any such appeal,
 14 the county tax appeal board may change any assessment or fix
 15 the assessment at some other level. The county clerk shall
 16 publish a notice to taxpayers, giving the time the county
 17 tax appeal board will meet to hear protests concerning
 18 assessments and the latest date the county tax appeal board
 19 may take applications for such hearings. The notice shall be
 20 published in a newspaper if any is printed in the county or,
 21 if none, then in such manner as the board may direct. The
 22 notice shall be published at least 7 days prior to the first
 23 meeting of the county tax appeal board."

24 Section 2. Section 15-15-102, MCA, is amended to read:

25 "15-15-102. Application for reduction in valuation. No

1 reduction may be made in the valuation of property unless
 2 the party affected or his agent makes and files with the
 3 county tax appeal board on or before the first Monday in
 4 June or 15 days after receiving a notice of classification
 5 and appraisal from the department of revenue, whichever is
 6 later, a written application therefor. The application
 7 shall state the post-office address of the applicant, shall
 8 specifically describe the property involved, and shall state
 9 the facts upon which it is claimed such reduction should be
 10 made."

11 Section 3. Section 15-15-103, MCA, is amended to read:

12 "15-15-103. Examination of applicant. Before the
 13 county tax appeal board grants any application or makes any
 14 reduction applied for, it must examine on oath the person or
 15 agent making the application, touching the value of the
 16 property of each person. No reduction must be made unless
 17 such person or agent makes an application, as provided in
 18 15-15-102, and attends and answers all questions pertinent
 19 to the inquiry. The testimony of all witnesses upon such
 20 hearing must be taken in shorthand or by stenotype or
 21 electronically recorded and preserved for 1 year. If the
 22 decision of the county tax appeal board is appealed, all
 23 testimony must be transcribed or otherwise reduced to
 24 writing and forwarded, together with all exhibits, to the
 25 state tax appeal board. The date of hearing, the proceedings

1 before the board, and the decision must be entered upon the
 2 minutes of the board, and the board shall notify the
 3 applicant of its decision by registered or certified mail
 4 within 3 days thereafter. A copy of the minutes of the
 5 county tax appeal board must be transmitted to the state tax
 6 appeal board no later than 3 days after the second Monday in
 7 July board holds its final hearing of the year."

8 NEW SECTION. Section 4. Failure or refusal to hear
 9 application. (1) If a county tax appeal board refuses or
 10 fails to hear a taxpayer's application for a reduction in
 11 valuation of property, except that listed in 15-2-302, the
 12 taxpayer's application is considered to be granted on the
 13 day following the board's final meeting for that year.

14 (2) The county treasurer shall enter the appraisal or
 15 classification sought in the application in the assessment
 16 book.

-End-

CP 21

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

February 23, 1979

The thirty-fifth meeting of the committee was called to order on the above date in Room 415 of the State Capitol building by the Chairman.

ROLL CALL: Roll call found all the members present but Sen. Roskie, who was excused. Witnesses providing testimony are listed on attached Register.

CONSIDERATION OF SENATE BILL 445: Senator Lowe introduced amendments for his bill, see Exh. #1, attached, and further explained his bill. He said the legislation did two things: changes the total cigarette tax from 12¢ a pack to a 50% levy which equals 12¢ at present market prices. It also puts the tax into the Long Range Building Fund to insure the same percentage would continue into the fund. He said he believes it is a sales tax and a percentage of it, 62.5%, should go into the LRB. He said the fund started at 9¢ and through the years was added to until it is now at 12¢. Some of that increase went to pay off the Veterans Honorarium which will soon be paid. He felt that with inflation increasing, building costs had also increased and he believed the tax on cigarettes should be on a percentage as well, to keep up with rising costs.

The Chairman called for other proponents and as there were none, permitted testimony by the opponents. Jerome Anderson was the first to speak and he presented a copy of his testimony, see Exh. #2, attached. He cited enforcement problems with the different cigarette sizes, prices. He also mentioned illegal sale of cigarettes in the state and thought this would cause this illegal traffic to increase as well. Bob McGee of the Department of Revenue also appeared as an opponent and cited a number of administrative problems he anticipated including the difficulties of checking each wholesaler, also problems with different stamps necessary as the tax changed.

Following their remarks Senator Lowe was permitted to close and said he did not feel the matter of the 'bootleg' cigarettes was a very serious one. He felt instead it was a matter of whether the committee felt the sales tax, as he referred to it, should vary with inflation as everything else does. It was mentioned that the price of cigarettes had increased about 80% in the past 7 years; if the tax had been proportionate it would have increased to about 37 to 40¢ per package in that time. There followed some additional discussion and hearing then closed.

CONSIDERATION OF SENATE BILL 521: Senator MacCallum introduced his bill briefly, as this was a committee bill drawn up following the hearing of SB220 regarding the use of a Hearings Officer to hear cases before a hearing before the State Tax Appeals Board. He asked Researcher Terry Cohea to further explain the bill since she had drafted the instrument. Mrs. Cohea explained

that the bill extended the period of time in which the County Tax Appeal Boards may meet to 60 days after the Department of Revenue has mailed appraisal notices. It would also permit taxpayers to file applications for hearings for 15 days after receiving those notices, and provides that a taxpayer's application be granted if the CTAB refuses to hear the application.

Helen Peterson of the STAB was also present and was called upon to contribute to the discussion. She thought there might be problems and also thought it could be very costly. She cited a cost of \$125 per day for every day the CTAB's meet and this could mean a great deal to some counties. She also wondered if the board members would continue to serve if the time were extended.

Discussion continued and members asked about changing the period during which the boards met, rather than extending them. The point was also made to insert the word 'timely' when a taxpayer made his application in order to insure that he make an effort to file such application immediately upon receipt of his appraisal notice. The Chairman called on Dennis Burr of the Department who said he didn't believe it would cost anymore for the counties to meet a short time longer than for the STAB to meet and suggested an amendment to the bill, referred to above, using the word 'timely' application. He also stated they expected reappraisal notices to go out sooner this year. Following brief discussion, hearing on SB521 then ended.

CONSIDERATION OF SENATE BILL 433: Senator Norman, sponsor of this bill, introduced his bill very briefly, introduced a letter as testimony, see Exh. #3, and then introduced Dr. Joseph Horvath who gave lengthy testimony concerning the reclaiming of Montana's soils through application of living, or organic matter. He said the bill calls for revitalizing Montana's soil and he mentioned the loss of about 30,000 acres through saline seep, the loss of good top soil through erosion and general improvement of soil that is without good top soil, such as gumbo, or clay-type soil. He said application of organic, or living matter, into the soil can increase its productivity by at least three times.

Dr. Horvath had charts to illustrate the improved yield on grain fields that had received such organic additive. He also indicated he was not averse to chemical fertilization, but explained that the addition of the natural, living matter would revitalize the soil and be a long-range improvement, eventually helping the soil to change, and improve, and increase the yields substantially.

Members of the committee asked numerous questions of Dr. Horvath concerning the use of irrigation systems, how the matter would be distributed on the land, cost of distribution, etc. He told the committee the use of the organic matter would make dead land alive and explained the action of the matter on different soil types. He said the matter could be in pellet form and 'broadcast' on the land; it could also be plowed down. He said much of Montana is clay soil and can be revitalized also, through the addition of the matter which aerates it and allows

Date FEB 23, 1979

ROLL CALL

SENATE TAXATION COMMITTEE

46th LEGISLATIVE SESSION - 1979

NAME	PRESENT	ABSENT	EXCUSED
SEN. GOODOVER (Vice Chairman)	✓		
SEN. BROWN	✓		
SEN. HAGER	✓		
SEN. MANLEY	✓		
SEN. MANNING	✓		
SEN. MCCOLLUM	✓		
SEN. NORMAN	✓		
SEN. ROSKIE			✓
SEN. SEVERSON	✓		
SEN. TOWE	✓		
SEN. WATT	✓		
CHAIRMAN TURNAGE	✓		

Each Day Attach to Minutes.

DATE FEB. 23, 1979

COMMITTEE ON

TAXATION

SEN.

BILLS 433, 445, 521 VISITORS R

VISITORS' REGISTER

[illegible]

adopting new language on page 2, following line 11, see copy of committee report for accepted amendments.

Senator Towe then Moved SB389 Do Pass As Amended. The motion carried.

They then took up HB318 and after brief discussion on the bill, agreed to move it out.

Senator Watt Moved HB318 Be Concurred In. Motion carried.

They discussed HB457 as well and proposed several amendments, to include school districts in the bill which calls for the Department of Revenue to give cities and towns a breakdown of the tax dollars. Senator Towe Moved to Amend HB457. Motion carried.

Senator Watt Moved HB 457 As Amended, Be Concurred In. Motion carried. Note for record, "No" votes by Senators Manley, Roskie, Goodover and Turnage.

Next up for discussion was Senate Bill 521. Amendments proffered were discussed and agreed upon. Senator Towe Moved to Adopt Amendments to SB521. Motion Carried.

Senator Manley then Moved SB521 Do Pass As Amended. Motion was carried.

Following disposition of this bill, conducted before 8 o'clock, the committee prepared to hear the bills for the day.

CONSIDERATION OF HOUSE BILL 619: Representative Kemmis introduced this bill which would allow gifts or devises made to an estate by a named person. He said in estate planning it is a practice in order to qualify for federal marital deductions to establish what are called powers of appointment. The problem in Montana, because of a Supreme Court decision, is that it is unclear whether you can defise property to an estate. He next introduced Professor Russoff of the University Law School, who also spoke to the committee in regard to estate planning. He said sometimes he came across a statute that might produce some bad results for Montana taxpayers and he felt this statute would give them benefit. He said the basic idea is that people trying to minimize federal estate liability try to take advantage of the marital tax deduction. Mr. Norris gave some supporting testimony as well, saying in 1976 the federal government changed the law on marital deductions, allowing an increase and he said this is the single item that saves most taxes for an individual.

The Chairman called for other proponents or opponents, and there being none, permitted questions of the committee. Mr. Stoll, representing the Department of Revenue, stated they had no problems with the bill, and further that there had been challenges regarding regarding the devise. The Chairman said if the committee felt they wished to move the bill they should consider an immediate effective date. This amendment was adopted by the committee. Senator Towe Moved to Adopt Amendments, see copy of committee report, attached.

Senator Norman Moved HB619 As Amended Be Concurred In. Motion was carried.

STANDING COMMITTEE REPORT

March 8 1979

MR. President

We, your committee on Taxation

having had under consideration Senate Bill No. 521

Respectfully report as follows: That Senate Bill No. 521,
introduced bill, be amended as follows:

1. Page 2, line 11.

Following: "agent"

Insert: "
(a)"

2. Page 2, line 13.

Following: "15-7-102"

Insert: "; and

(b) has notified the county tax appeal board that
classification and appraisal notices have been mailed to
all property owners "

3 Page 4, line 10.

Following: "taxpayer's"

Insert: "timely"

And, as so amended,

DO PASS

Date MAR. 8, 1979

ROLL CALL

SENATE TAXATION COMMITTEE

46th LEGISLATIVE SESSION - 1979

NAME	PRESENT	ABSENT	EXCUSED
SEN. GOODOVER (Vice Chairman)	✓		
SEN. BROWN	✓		
SEN. HAGER	✓		
SEN. MANLEY	✓		
SEN. MANNING	✓		
SEN. MCCOLLUM	✓		
SEN. NORMAN	✓		
SEN. ROSKIE	✓		
SEN. SEVERSON	✓		
SEN. TOWE	✓		
SEN. WATT	✓		
CHAIRMAN TURNAGE	✓		

Each Day Attach to Minutes.

HOUSE TAXATION COMMITTEE

46th Legislature

Bill No.	Subject Matter	Date In	Sponsor	Hearing Date	Committee Action	Date Out
SB 234	To permit governing body of a county to exceed existing mill levy limits if a majority voting on the question are in favor of the additional levy or levies	3/9	McCollum	4/7	BE CONCURRED IN	4/7
SB 235	To generally revise laws that permit governing body of a municipality to exceed existing mill levy limits in certain cases...	3/14	McCollum	4/7	BE CONCURRED IN	4/7
SB 389	To allow an owner of residential property to file an application to insure that his property will be appraised as residential; statement that property is residential; rollback tax upon a change in use, providing an effective date.	3/14	Towe	4/4	AS AMENDED BE CONCURRED IN	4/11
SB 521	To extend the period during which county tax appeal boards may meet, providing taxpayers applications are granted if a county tax appeal board refuses or fails to hear the application...	3/14	Manley	3/30	BE CONCURRED IN	4/10
SB 184	Provide a fee in lieu of property tax for autos, light trucks, motor homes, travel trailers, campers, motorcycles & snowmobiles.	3/19	Mathers	3/29	AS AMENDED BE NOT CONCURRED IN	4/6

time of selling. When it is sold, there are funds with which to pay the tax. The estate would be subject to a capital gains tax if the land were worth a great deal more.

The main economic advantage to the estate is the low rate of interest on any unpaid tax. Prevailing high rates could be a great burden. This bill is much, much broader than HB 830. SB 508 has this installment feature. SB 508 also provides that passage of property to a grandchild would be the same as to a child. You can funnel money out of small businesses, but the business would still be there.

Mr. Stohl said you are looking at fair market value at the time of death or specific use value at time of selling. Specific use value for Montana - the question of what cost basis do you use on your income tax. Since Montana income tax follows the federal, the valuations should be the same.

Rep. Fabrega asked if there are two valuations that have to be established. Mr. Stohl said basically the fair cash value is the basis - but if that isn't available, they have to look at other means of valuation, and once that is established that would be come the basis for figuring at the time of selling.

Rep. Fabrega said that if this option is elected, the idea of the decedent in a way, is to say 'keep on farming or else pay the tax'.

Senator Manley reiterated that this is not just for farm businesses, but it is for closely held family businesses as well.

Senator Manley, District 14, Drummond, explained this was a committee bill which would increase the time during which a county tax appeal board may meet. There has been a great deal of trouble all over the counties because of re-valuation and assessments haven't got back in time to provide for tax appeal.

SENATE BILL Under current law no protests may be heard after the last
521 Monday in June. Under the bill protests could be heard until
 60 days after the county board has been notified that classi-
 fication and appraisal notices have been mailed to all property
owners,

The State Tax Appeal Board wanted to go out with a tax hearings officer so people wouldn't have to come to Helena, but such a bill wasn't approved, so SB 521 was introduced to state that 60 days after the department of revenue or its agent would have to hear your tax appeal at the county level. This extends the time and has a fiscal note showing the cost. It keeps home rule just a little closer to home.

There were no opponents.

Rep. Fabrega said that you have 60 days in which to file an appeal after the last assessment has gone out.

Rep. Williams said he understands that the appropriations committee wouldn't fund the \$50,000 deemed necessary for STAB to do this. How would this be

64,
3/30/79
Page 7

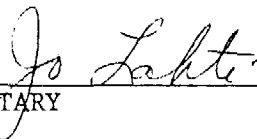
financed by the counties.

Rep. Manley said he couldn't answer right now, This is a county support bill,

Meeting adjourned at 10:30 a.m.



REP, HERB HUENNEKENS, CHAIRMAN



SECRETARY

SENATE BILL 174

Rep. Fabrega directed the committee to line 16, page 1 which refers to the five acres. The problem is that as the bill is drawn up if you have less than 5 acres under the chicken houses you are out. The amendment would take it out of subsection a and make it a new subsection c so you would not be subject to the five acre limitation. Then on line 15, page 1, strike "either" and insert "any"; line 24, page 1 through line 2 on page 2, strike. Insert between line 7 and 8 a new subsection c reading the same as iii. Move iii to between lines 7 and 8 on page 2. Then it would not be subject to the five acre limitation. Rep. Fabrega moved the amendments and the motion carried unanimously with those present.

Rep. Underdal moved the bill be concurred in as amended.

Rep. Williams questioned the need--wondered if we were passing some more special legislation.

Rep. Fabrega said the difference is the land was considered commercial and should be agricultural on productivity. Eggs are taxed as products but the land under the chicken coop would be agricultural. Rep. Dozier added all of the equipment for the selling of the eggs is still commercial and will so remain--only area to be changed is the area used to raise chickens.

Vice-Chairman Dassinger said he agreed that it is a special interest bill and don't think it is needed.

Rep. Lien said if it were used for a horse or goat it would be classified agricultural--should have the same consideration for chickens.

Rep. Williams said this is an industry providing income and should be treated like commercial type industry.

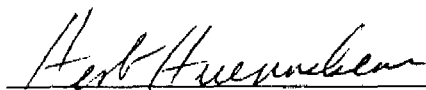
Question was called and the motion BE CONCURRED AS AMENDED carried with Reps. Williams and Dassinger voting no. Absent were Reps. Burnett, Nordtvedt, Fagg and Robbins. Rep. Underdal will carry the bill on the floor.

SENATE BILL 521

Representative Fabrega moved BE CONCURRED IN. Motion carried unanimously with those present (same absent as previous bill).

MEETING ADJOURNED AT 12:05 p.m.


Emelia A. Satre, Asst. Sec.


HERB HUENNEKENS, CHAIRMAN

SENATE BILL NO. 521

INTRODUCED BY MANLEY, WATT, McCALLUM, TURNAGE

BY REQUEST OF THE COMMITTEE ON TAXATION

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXTEND THE PERIOD DURING WHICH COUNTY TAX APPEAL BOARDS MAY MEET; PROVIDING THAT TAXPAYERS' APPLICATIONS ARE GRANTED IF A COUNTY TAX APPEAL BOARD REFUSES OR FAILS TO HEAR THE APPLICATION; AMENDING SECTIONS 15-15-101 THROUGH 15-15-103, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-15-101, MCA, is amended to read:

"15-15-101. County tax appeal board -- meetings and compensation. (1) The board of county commissioners of each county shall appoint a three-member county tax appeal board, with the members to serve staggered terms of 3 years each. The members of each county tax appeal board shall be residents of the county in which they serve. They shall receive compensation of \$25 a day and travel expenses as provided for in 2-18-501 through 2-18-503, as amended, only when the county tax appeal board is in session to hear taxpayers' appeals from property tax assessments or when they are attending meetings called by the state tax appeal board. Travel expenses and compensation shall be paid from the appropriation to the state tax appeal board. Office

space and equipment for the county tax appeal boards shall be furnished by the county. All other incidental expenses shall be paid from the appropriation of the state tax appeal board.

(2) The county tax appeal board must meet on the third Monday of April in each year to hear protests concerning assessments made by the department of revenue. It must continue in session for that purpose from time to time until the business of hearing protests is disposed of, but not later than the first Monday in June unless granted additional time by order of the state tax appeal board 60 days after the department of revenue or its agent:

(A) has mailed notice of classification and appraisal to all property owners as required in 15-7-102; AND

(B) HAS NOTIFIED THE COUNTY TAX APPEAL BOARD THAT CLASSIFICATION AND APPRAISAL NOTICES HAVE BEEN MAILED TO ALL PROPERTY OWNERS.

(3) In connection with any such appeal, the county tax appeal board may change any assessment or fix the assessment at some other level. The county clerk shall publish a notice to taxpayers, giving the time the county tax appeal board will meet to hear protests concerning assessments and the latest date the county tax appeal board may take applications for such hearings. The notice shall be published in a newspaper if any is printed in the county or,

1 if none, then in such manner as the board may direct. The
2 notice shall be published at least 7 days prior to the first
3 meeting of the county tax appeal board."

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9 June or 15 days after receiving a notice of classification
10 and appraisal from the department of revenue, whichever is
11 later, a written application therefor. The application
12 shall state the post-office address of the applicant, shall
13 specifically describe the property involved, and shall state
14 the facts upon which it is claimed such reduction should be
15 made."

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17 "15-15-103. Examination of applicant. Before the
18 county tax appeal board grants any application or makes any
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20 agent making the application, touching the value of the
21 property of each person. No reduction must be made unless
22 such person or agent makes an application, as provided in
23 15-15-102, and attends and answers all questions pertinent
24 to the inquiry. The testimony of all witnesses upon such
25 hearing must be taken in shorthand or by stenotype or

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4 writing and forwarded, together with all exhibits, to the
5 state tax appeal board. The date of hearing, the proceedings
6 before the board, and the decision must be entered upon the
7 minutes of the board, and the board shall notify the
8 applicant of its decision by registered or certified mail
9 within 3 days thereafter. A copy of the minutes of the
10 county tax appeal board must be transmitted to the state tax
11 appeal board no later than 3 days after the second-Monday-in
12 July board holds its final hearing of the year."

13 NEW SECTION. Section 4. Failure or refusal to hear
14 application. (1) If a county tax appeal board refuses or
15 fails to hear a taxpayer's TIMELY application for a
16 reduction in valuation of property, except that listed in
17 15-2-302, the taxpayer's application is considered to be
18 granted on the day following the board's final meeting for
19 that year.

20 (2) The county treasurer shall enter the appraisal or
21 classification sought in the application in the assessment
22 book.

-End-

STATE OF MONTANA

Request No. 418-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 27, 1979, there is hereby submitted a Fiscal Note for Senate Bill 521 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

This bill extends the period during which county tax appeal boards may meet and provides that taxpayers' applications are granted if a county tax appeal board refuses or fails to hear the application.

ASSUMPTIONS:

A substantial number of notices of change in valuation will be received by taxpayers too late to be appealed to county tax appeal boards in the present time frame set by law.

County boards will continue to operate in the same fashion as in the past, and therefore will be required to spend an estimated 200 additional days annually hearing appeals.

Per diem of county board members is set by law. Other county board expenses (secretarial, postage and supplies, etc.) will remain about the same in the next biennium as in the current biennium.

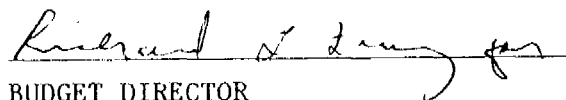
FISCAL IMPACT

	<u>FY 80</u>	<u>FY 81</u>
200 additional hearing days	\$43,000	\$43,000
Additional operating costs, State Tax Appeal Board	<u>7,000</u>	<u>7,000</u>
Additional cost of proposed legislation	<u>\$50,000</u>	<u>\$50,000</u>

The increased expenditures will be from the State General Fund.

LOCAL IMPACT:

The local impact is estimated to be minimal. An increase in operating expenses (space, equipment, etc.) and/or decrease in tax revenues could result.


BUDGET DIRECTOR
Office of Budget and Program Planning
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